

WASHINGTON STATE GAMBLING COMMISSION

Agency Overview

OUR MISSION

The Washington State Gambling Commission regulates and controls gambling activities within the state of Washington and, in partnership with other law enforcement agencies, restrains criminal activities associated with unlawful gambling.



BACKGROUND

The Commission's Legislative Mandate

The Washington State Gambling Commission (WSGC) was established in 1973 by the Legislature under the Gambling Act. By law, the Commission is charged with establishing rules so that the public has an opportunity to engage in limited charitable and social gambling without fear of organized crime infiltration or the potential for fraud by professional gamblers.

In 1992, the Legislature added the responsibility to negotiate tribal/state compacts for Class III casino gambling and to implement all agreements reached with the Tribes.



Jurisdiction

The agency maintains concurrent jurisdiction with local law enforcement agencies to investigate all reports of gambling violations.

Agency Funding Source

WSGC is a non appropriated agency and is funded through licensing fees and regulatory fees paid by licensees and tribal governments. Therefore, citizens who obtain gambling licenses are supporting our services, not tax dollars. WSGC's budget for the 1999-01 biennium was \$23.4 million.

WHO WE ARE

WSGC is an independent state agency. As required by the Gambling Act, five citizens are appointed by the Governor, with the consent of the Senate, to act as part-time Commissioners for single six-year terms.

Current Commissioners

Curtis Ludwig, Chair

Term expires June 2000

Judge Marshall Forrest (Ret.),

Vice Chair

Term expires June 2002

Liz McLaughlin

Term expires June 2001

George Orr

Term expires June 2005

Alan Parker

Term expires June 2003

Four members of the Legislature act as ex officio members. Ex officio members do not vote, except for purposes of approving tribal gaming compacts.

Current Ex Officio Members

Senator Margarita Prentice

11th District

Representative Jim Clements

14th District

Representative Alex Wood

3rd District

Senator Shirley Winsley

28th District

The Commission appoints an executive director. The executive director appoints agency staff.



Of the 190 full-time positions authorized, over 95 are commissioned to enforce gambling laws.

THE AGENCY IS DIVIDED INTO THREE OPERATIONAL DIVISIONS

Licensing Operations

Processes initial applications, annual renewals and changes to applications.



Field Operations

Regulates all licensed gambling activities by conducting inspections, reviews, and investigations. Field staff provides technical assistance on gambling operations and works with numerous licensee groups.

Special Operations

Conducts pre-licensing investigations, nonprofit qualification and program reviews. Investigates reports of illegal or criminal gambling activities. Performs undercover work as necessary. The State's tribal gaming unit works with each tribe's tribal gaming agency to monitor Class III tribal gaming activities.

WHAT WE DO

WSGC regulates the following activities:

- ♠ Punchboards and Pull Tabs
- ♠ Bingo and Joint Bingo Games
- ♠ Social Card Games, including House-banked Card Games
- ♠ Commercial Amusement Games (carnival games & crane games)
- ♠ Raffles
- ♠ Fund Raising Events (Reno Nights)

- ♠ The WSGC's tribal gaming unit works with each tribe's tribal gaming agency to co-regulate the tribal casinos

**WSGC does not regulate
horse racing or the state lottery.**

In addition, WSGC regulates and/or controls these activities:



- ◆ Business promotional contests of chance
- ◆ Sports pools and turkey shoots
- ◆ Golfing and bowling sweepstakes
- ◆ Members only social card and dice games at charitable/nonprofit organizations
- ◆ Dice or coin games for music, food, or beverages. This activity is operated only by businesses selling food or beverages.

Typical Illegal Gambling Activities Investigated

- ♣ Bookmaking - accepting bets on sporting events & charging a fee on all losing bets.
- ♣ Illegal card or dice games - illegal if a person charges or collects a fee beyond personal winnings. These games are legal if no fee is collected.
- ♣ Loansharking related to gambling activities



- ♣ Animal fights that involve betting, such as dog or cockfights.
- ♣ Owning, transporting, or operating slot machines, video pull tabs, video poker or other similar electronic devices.

Indian Tribal Casinos

There are 28 federally recognized Indian tribes in the state of Washington. Twenty of these tribes have successfully negotiated a tribal/state compact to offer casino style (Class III) gaming. These compacts address regulatory and jurisdictional issues for such gaming.

Twelve of the tribes with gaming compacts are operating casinos. As of June 30, 1999, the state certified 3,917 individuals to work in the gaming sector of these tribal casinos.

RULE MAKING PROCESS

Commission rule adoptions follow state legal requirements and include opportunities for public input while rules are being developed. After rules are officially proposed, three or more public hearings are held. Written comments can be made at any time by sending them to the Lacey office, attention Rules Coordinator.

SCOPE OF LICENSED GAMBLING ACTIVITIES

Active licenses as of June 30, 1999

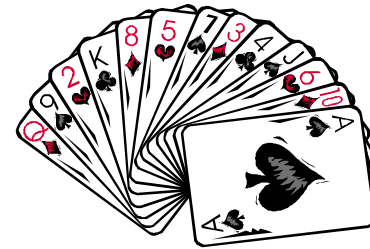
Punchboard and Pull tabs	2,296*
Amusement Games – operators	131*
Amusement Games – locations only	980*
Raffles	615
Bingo	389
Card Rooms – revenue not generated	237
Card Rooms – revenue generated	91
Fund Raising Events	75**
Individuals Licensed	3,742***

* includes commercial and charitable operators

** all licenses issued during the year ending 06/30/98

*** includes card room operators and employees, distributors, manufacturers, distributor representatives, manufacturer representatives and gambling managers

With about 150 full-time employees, geographically dispersed across the state, WSGC regulates nearly 5000 licensed gambling activities and more than 3,700 licensed individuals employed in the non-tribal gambling industry.



REVENUES GENERATED BY GAMBLING

Taxes Collected from Gambling

The state does not collect a gambling tax.

RCW 9.46.110 allows local cities or counties to tax gambling receipts. The maximum limitations are set forth in the law and are listed below.

Licensees reported a total of \$34,079,089 paid in local gambling taxes for fiscal year ending June 30, 1999.

Activity	Maximum	Basis
Card Rooms	20%	Gross Receipts
Raffle	5%	Gross Receipts; The first \$10,000 cannot be taxed
Bingo	5%	Gross Receipts
Punchboards and Pull Tabs – Commercial	5% 10%	Gross Receipts, or, Net Receipts Chosen via local Ordinance
Punchboards and Pull Tabs – Charitable	10%	Net Receipts
Amusement Games	2%	Net Receipts; however, cannot exceed actual enforcement costs

*Net Gambling Receipts for the Year ended June 30, 1999

Punchboards and Pull Tabs	\$169,273,512
Bingo	\$ 43,461,647
Commercial Amusement Games	\$ 20,065,009
Card Rooms	\$ 108,979,530
Raffles	\$ 4,069,085
** Other	\$ 273,482
<u>Fund Raising Events</u>	<u>\$ 112,028</u>
Combined regulated activities	\$346,234,293

*Gross receipts less prizes paid = net receipts

**Non-profit amusement games and bingo at agricultural fairs.



CONTACTING US

For more information, please visit our Web Site or call us. The most effective way to forward your comments to the Commission by e-mail, mail or fax.



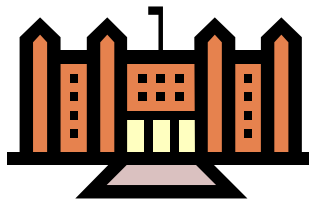
The Commission holds monthly meetings to discuss changes to rules, licensing issues, etc. These meetings are open to the public and licensees and the public are encouraged to attend. Members of the public who wish to receive Commission information can

do so by requesting that they be added to one or both of the Commission's mailing lists: Meeting Agendas/Rule Making Notices and/or Agency Newsletters. Send your request to the headquarters office, attention Communications and Legal Department.

Headquarters and Records Center

Mailing Address

Post Office Box 42400
Olympia, WA 98504-2400
Fax: (360) 438-8652
TDD: (360) 438-7638



Location

649 Woodland Sq. Loop, SE
Lacey, WA 98503
(360) 438-7654
(800) 345-2529

www.wsgc.wa.gov

Extensions at Headquarters Office

Administration	302	Media	324
License Application Requests	300	Human Resources	375
Status of License Application (General)	300	Tribal Negotiations (Class III)	307
Pre-license Financial Investigation (Commercial)	323	Tribal Implementation (Class III)	344
Pre-license Financial Investigation (Nonprofit)	355	Problem Gambling	372
Pre-license Financial Investigation (Suppliers, Mfg., Class III)	366	Business Promotions/Contest of Chance	372 or 374
Mandatory Training Schedule	300	Rule Changes/Commission Meeting Agenda	374
Public Disclosure Requests	315	Activity Report Annual/Quarterly	326
Newsletter	372	Record Keeping Forms	300
Unlicensed Raffles	372	I.D. Stamps/Business Operation Office	318
Field Operations	356	Administrative Cases (Compliance & Hearings)	347 or 310

If you have any questions or wish to report any illegal activity in your area, please contact your local field office.

Lynnwood Office

Fisher Business Center
3500 188th Street SW, #565
Lynnwood, WA 98037

(425) 776-6751
Fax: (425) 672-1808

Tacoma Office

4301 Pine Street, # 307

Tacoma, WA 98409
(253) 471-5312
Fax: (253) 471-5317

Spokane Office
North 901 Monroe, #240

Spokane, WA 99201
(509) 456-3167

Fax: (509) 456-4411

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